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RESERVE

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 17

SEPTEMBER 1972

Number 2

Released Pursuant to §1000.3 and §1090.85, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - SEPTEMBER 1972

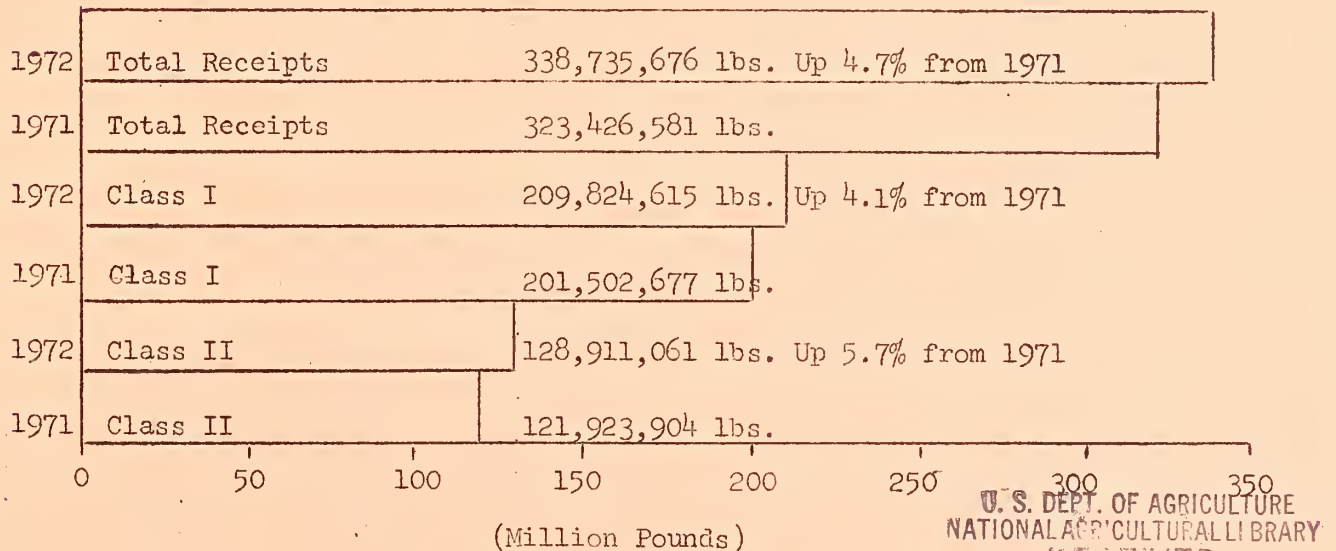
The Chattanooga Order MINIMUM uniform producer price is \$6.72 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of 42 cents above September 1971.

In September 1972, 78.6% of producer milk received by pool plants was priced in Class I at \$7.16 per cwt. and 21.4% was priced in Class II at \$5.10 per cwt. The September butterfat differential for Class I was 8.3 cents and Class II was 8.1 cents.

Total producer milk received at pool plants during September 1972 was 38,690,569 pounds which is an increase of 2,434,219 pounds or a daily average increase of 6.7% compared with September 1971. The September daily average deliveries from 786 producers was 1,641 pounds. This compares to 789 farms delivering a daily average of 1,532 pounds per day during September 1971.

PRODUCER MILK - RECEIPTS AND CLASSIFICATION

January thru September



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PROCUREMENT SECTION
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COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	% Sept. '72 Over Sept. '71	Sept. 1972	Aug. 1972	Sept. 1971
Number of Plants - Pool		7	7	7
- Non-Pool		13	13	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 6.7	1,289,686	1,248,448	1,208,545
Other Source	-22.2	32,367	32,654	41,623
Other Federal Orders	+ 2.7	109,111	118,782	106,213
TOTAL MILK RECEIPTS	+ 5.5	1,431,164	1,399,884	1,356,381
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+13.8	510,895	458,961	448,750
Skim	+12.9	23,651	22,220	20,940
2% Milk	+25.7	159,387	146,659	126,794
Buttermilk	+13.3	62,754	59,256	55,367
Flavored Milk and Drink	+40.4	29,226	28,402	20,822
Creams (Sweet and Sour)	+13.0	3,771	3,873	3,336
Yogurt	- 9.8	600	607	665
Sub-Total - Pkg. Products (Pool Plants)	+16.8	790,284	719,978	676,674
Other (Shrinkage, Inventory, etc.)		2,545	6,052	5,090
Sales to Non-Pool Plants	+17.1	279,110	216,671	238,341
In-Area Sales by Non-Pool Plants	+ 7.9	51,644	44,047	47,844
TOTAL CLASS I MILK	+16.1	1,123,583	986,748	967,949
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	-10.0	62,436	76,555	69,408
Cottage Cheese	+ 9.1	49,929	55,463	45,778
Powdered and Condensed Milk		-0-	-0-	-0-
Livestock Feed and Milk Dumped	+13.3	9,118	11,619	8,047
Sub-Total - Used to Produce	- 1.4	121,483	143,637	123,233
Shrinkage Class II		17,722	20,754	16,778
Other (Inventory Variation, etc.)		327	13,432	13,136
Bulk Sales to Non-Pool Plants	-28.6	168,049	235,313	235,285
TOTAL CLASS II MILK	-20.8	307,581	413,136	388,432
Class I Pkg. Lbs. In Area - Pool Plants	+ 7.4	552,238	502,104	514,148
Class I Pkg. Lbs. Out of Area-Pool Plants	+46.5	238,046	217,874	162,526
Class I Pkg. Lbs. In Area - Non-Pool Plants	+ 7.9	51,644	44,047	47,844
% Producer Milk of Gross Class I		114.8	126.5	124.9
% Producer Milk Priced in Class I		78.6	70.6	72.2

TOTAL PACKAGE CLASS I DAILY AVERAGE POUNDS ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	% Sept. '72 Over Sept. '71	Sept. 1972	Aug. 1972	Sept. 1971
Whole Milk	+ 3.0	405,257	362,639	393,361
Skim Milk	+ 13.7	16,602	15,752	14,606
2% Milk	+ 22.7	105,976	96,094	86,346
Buttermilk	+ 7.1	49,745	46,692	46,430
Flavored Milk and Drink	+ 27.5	22,937	21,486	17,983
Fluid Cream and Yogurt	+ 3.0	3,365	3,488	3,266
Total	+ 7.5	603,882	546,151	561,992

COMPUTATION OF PRODUCER UNIFORM PRICE

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SEPTEMBER 1972	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class		33,707,469	3.159		
Less Other Source		3,315,021	2.696		
Producer Milk Class I	78.6	30,392,448	3.209195	\$6.918632	\$2,102,741.63
Gross Class II		9,227,437	5.015		
Less Other Source		929,316	3.052		
Producer Milk Class II	21.4	8,298,121	5.235113	6.505442	539,829.45
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	38,690,569	3.643702		\$2,642,571.08
Less Fractional Adjustment					.03
Add Value of Overage					4,313.62
Add Value of Inventory Reclassified					159.30
Add Value of Class I Other Source and Producer Location Adjustment		2,219	0.00		913.46
Add 1/2 Producer-Settlement Fund Reserve					14,380.82
TOTAL VALUE AT TEST		38,692,788	3.643493	\$6.880709	\$2,662,338.25
Less Test over 3.5% @ 8.2¢ per point		38,692,788	.143493	0.117664	45,527.48
TOTAL UTILIZATION VALUE AT 3.5%		38,692,788	3.5	\$6.763045	\$2,616,810.77
Less Reserve per \$1090.71 (f)		38,692,788		.043045	16,655.31
PRODUCER UNIFORM PRICE - 3.5% TEST		38,692,788	3.5	\$6.72	\$2,600,155.46

SEPTEMBER 1972 MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)
 BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$6.31	3.6	\$6.802	4.2	\$7.294	4.8	\$7.786	5.4	\$8.278
3.05	6.351	3.65	6.843	4.25	7.335	4.85	7.827	5.45	8.319
3.1	6.392	3.7	6.884	4.3	7.376	4.9	7.868	5.5	8.36
3.15	6.433	3.75	6.925	4.35	7.417	4.95	7.909	5.55	8.401
3.2	6.474	3.8	6.966	4.4	7.458	5.0	7.95	5.6	8.442
3.25	6.515	3.85	7.007	4.45	7.499	5.05	7.991	5.65	8.483
3.3	6.556	3.9	7.048	4.5	7.54	5.1	8.032	5.7	8.524
3.35	6.597	3.95	7.089	4.55	7.581	5.15	8.073	5.75	8.565
3.4	6.638	4.0	7.13	4.6	7.622	5.2	8.114	5.8	8.606
3.45	6.679	4.05	7.171	4.65	7.663	5.25	8.155	5.85	8.647
3.5	6.72	4.1	7.212	4.7	7.704	5.3	8.196	5.9	8.688
3.55	6.761	4.15	7.253	4.75	7.745	5.35	8.237	5.95	8.729

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1972, to establish a new milk base to be used in making payment to such producer during the months of March through July 1973. The 1973 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1972 through January 31, 1973 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1972 through February 1973. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Sept. '71	\$6.30	--		8.0¢	\$6.92	8.1¢	\$4.83	7.8¢
Oct.	6.35	--	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	--	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	--	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	6.22	--	-	8.0	7.08	8.2	4.97	7.8
Feb.	6.20	--	-	8.0	7.08	8.1	4.97	7.8
Mar.	6.23 2/	\$6.35	\$5.04	8.0	7.12	8.1	5.04	7.8
Apr.	6.10 2/	6.25	4.96	8.0	7.12	8.1	4.96	7.8
May	6.12 2/	6.26	4.94	8.0	7.19	8.1	4.94	7.8
June	6.19 2/	6.30	4.95	8.0	7.11	8.1	4.95	7.8
July	6.46 2/	6.60	5.01	8.0	7.09	8.1	5.01	7.8
Aug.	6.50	-	-	8.0	7.10	8.1	5.07	8.0
Sept.	6.72	-	-	8.2	7.16	8.3	5.10	8.1
Oct.	-	-	-	-	7.22	8.4	-	-
Nov.	-	-	-	-	7.25	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II	
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Pounds	Test-%	Pounds	Test-%
Sept. '71	68.13	31.63	\$4.83	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	746,539	3.28	462,124	5.19
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16
Feb.	67.78	31.41	4.97	717,023	3.23	512,306	5.07
Mar.	67.78	31.44	5.04	715,940	3.18	524,310	4.79
Apr.	67.71	31.46	4.96	677,865	3.14	609,946	4.45
May	67.71	31.36	4.94	663,443	3.22	604,609	4.16
June	67.71	31.37	4.95	680,498	3.12	503,552	4.43
July	67.84	31.45	5.01	806,185	3.19	348,766	4.79
Aug.	69.50	31.67	5.07	881,026	3.15	367,422	4.72
Sept.	70.25	31.83	5.10	1,013,082	3.21	276,604	5.24

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per.
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Sept. '71	20	1,356,381	967,949	7	789	1,208,545	-	3.71	1,532
Oct.	20	1,334,666	943,324	7	789	1,185,676	-	3.83	1,503
Nov.	20	1,366,329	899,192	7	767	1,203,297	-	3.94	1,569
Dec.	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601
Feb.	21	1,396,971	811,826	7	761	1,229,329	-	4.00	1,615
Mar.	21	1,416,663	804,428	6	754	1,240,250	1,129,789	3.86	1,645
Apr.	21	1,465,359	765,713	7	749	1,287,811	1,148,033	3.76	1,719
May	21	1,472,482	755,899	7	745	1,268,052	1,136,103	3.67	1,702
June	21	1,346,627	771,942	7	745	1,184,050	1,088,364	3.67	1,589
July	21	1,336,101	910,607	7	741	1,154,951	1,053,562	3.67	1,559
Aug.	20	1,399,884	986,748	7	784	1,248,448	-	3.61	1,592
Sept.	20	1,431,164	1,123,583	7	786	1,289,686	-	3.64	1,641

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I